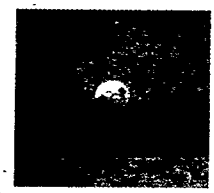
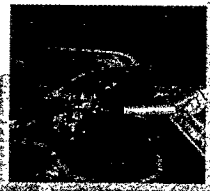
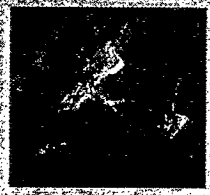
CALFED
BAY-DELTA
PROGRAM



Briefing Packet





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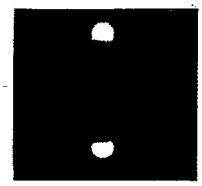
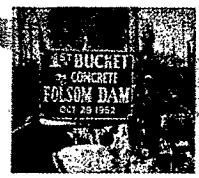
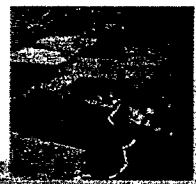
Executive Summary







The CALFED Bay-Delta Program is an unprecedented cooperative effort among state and federal agencies and the public to forge a lasting solution to restore the health of the system while addressing the needs of residents and the economy.

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THE BAY-DELTA ISSUES

- The San Francisco Bay/Sacramento-San Joaquin Delta Estuary is the largest estuary on the West Coast.

- The Bay-Delta...

  - includes 40,000 acres of wetlands and supports 120 fish species
  - provides drinking water for 20 million people
  - provides irrigation water for 200 crops and 45% of the nation's fruits and vegetables

- The health of the Bay-Delta system has declined significantly.

  - Bay-Delta water quality is a continuing concern.
  - Water availability for various uses has decreased.
  - Supplies of water have become less reliable.
  - Fish and wildlife populations and habitat have deteriorated.
  - The Delta's levee system is vulnerable to natural disasters and other losses.

- Reduced reliability of Bay-Delta functions poses a serious threat to California residents, business, agriculture and environmental resources, and has national implications.

- These complex and interrelated issues present a challenge to developing a long-term solution.

CALFED: A COOPERATIVE SOLUTION

- The CALFED Bay-Delta Program is part of an historic cooperative agreement on managing the Bay-Delta.

- State and federal agency cooperation in the Bay-Delta system was formalized in June 1994 under a Framework Agreement.

- The Framework Agreement pledged support for:

  - Protective Bay-Delta water quality standards

  - Coordinated operation of SWP and CVP

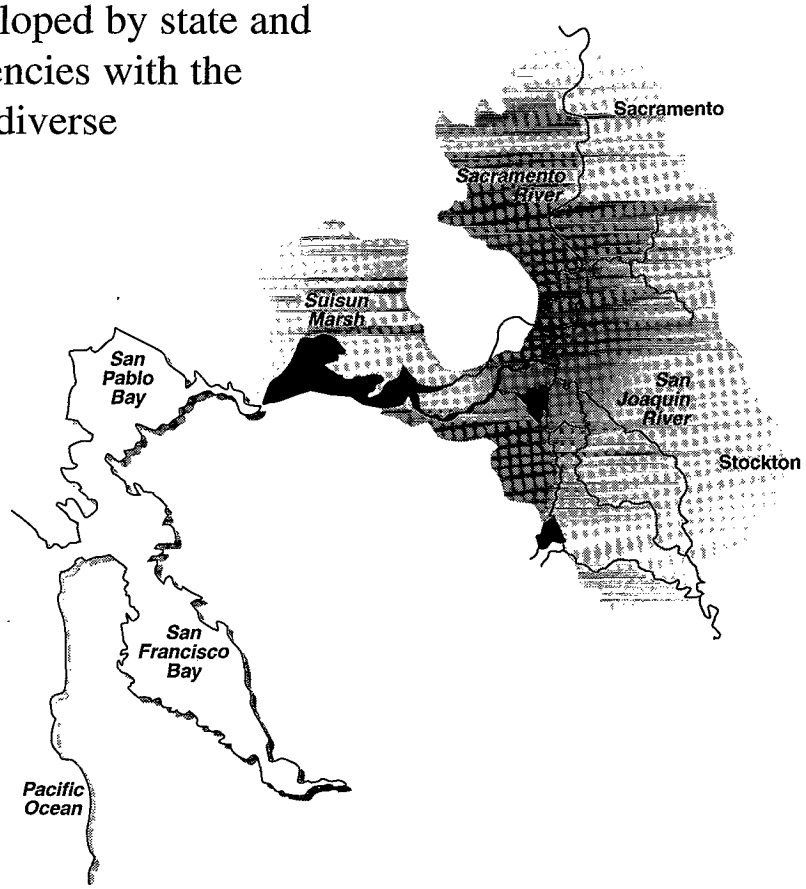
  - Development of a long-term Bay-Delta solution

- The December 1994 Bay-Delta Accord set forth integrated, interim water quality standards.

- The Accord was developed by state and federal regulatory agencies with the cooperation of many diverse interest groups.

- A state/federal coordination group was created to better integrate the CVP and SWP.

- The CALFED Bay-Delta Program was created in May 1995 to develop a long-term solution for the Bay-Delta system.



A Three-Phase Process for Developing a Solution

- The Bay-Delta Program comprehensively addresses the fundamental resource problems in the system.

- The Program functions in three phases.

  - **Phase I** uses a cooperative process to identify a "short list" of solution alternatives to be carried into formal NEPA/CEQA environmental review.

    (Phase completed - March 1996)

  - **Phase II** will conduct a broad environmental impact review of the alternatives proposed in Phase I. This phase will produce a Programmatic EIS/EIR that recommends a preferred alternative.

    (Phase completed - June 1998)

  - **Phase III** will cover environmental reviews on specific and begin the permitting and implementation process. Final actions and strategies could be operational, structural, regulatory and/or legislative in nature.

    (Implementation to begin 1999 and beyond)

CALFED Bay-Delta Program Mission & Principles

- The Program's mission is to develop a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta system.

- Six principles guide development of the solution:

  - affordable
  - equitable
  - durable
  - implementable
  - reduced conflict among competing interests
  - no significant redirected impacts

Bay-Delta System Problems

- Four main problem areas have been defined for the Bay-Delta system:

  - Water Supply Reliability
  - Water Quality
  - Ecosystem Health
  - Levee System Vulnerability

Problem and Solution Scopes

- The Bay-Delta Program uses a two-tiered geographic scope to identify problems and develop solutions.

- The geographic problem scope is the legally-defined Delta, Suisun Bay (extending to Carquinez Strait) and Suisun Marsh. This scope focuses on specific problems facing the Delta and its users.

- Because the Bay-Delta is part of a larger water and biological resource system, the scope for possible Bay-Delta solutions is much broader.

- A potential solution may include any action that can be implemented or influenced by the CALFED agencies.

Financing Strategies

- Alternative funding and financing strategies to implement a Bay-Delta solution are being developed as part of Phase I.

- Non-traditional and phased funding/financing approaches are being considered to ensure affordability.

- The water resource and business communities are involved in finance strategy activities.

Public Outreach

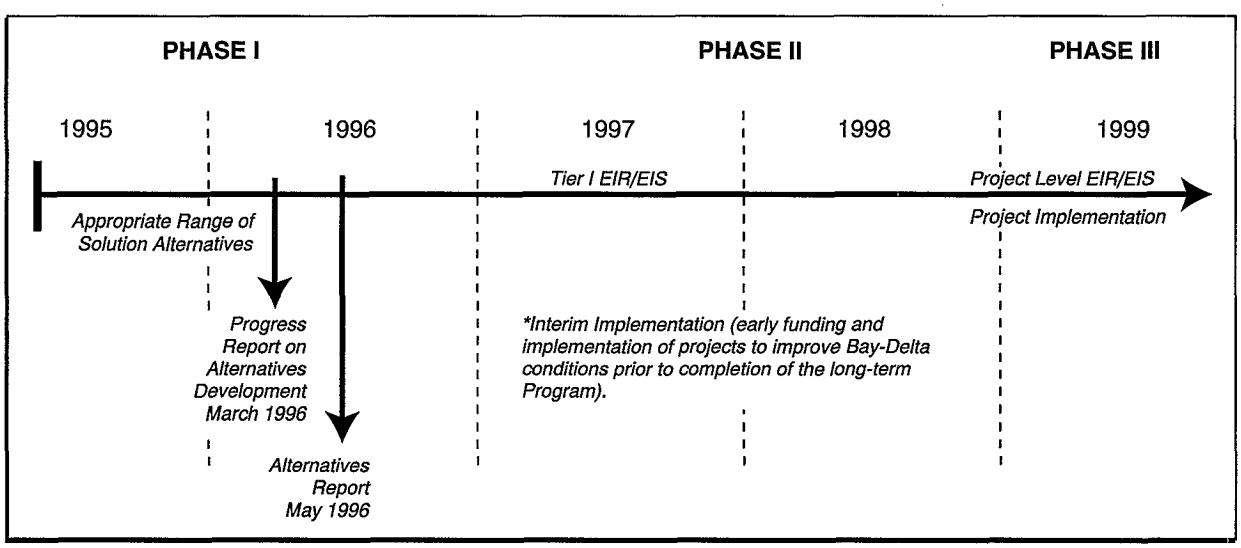
- The Bay-Delta Program includes a variety of public outreach and involvement mechanisms to ensure a lasting, cooperative solution.

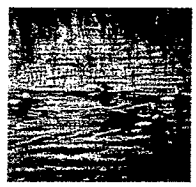
- The Bay Delta Advisory Council (BDAC) provides advice on the Program's efforts. BDAC members include representatives of the agricultural, environmental and business communities.

- Public workshops bring together policy experts, farmers, business owners, environmental and community activists, Delta residents and other interests to work together on developing a solution.

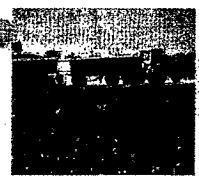
- A public outreach program communicates the Program's efforts and progress to the broader public, and invites their input.

- Public outreach activities include media relations, presentations and briefings to interest groups and other organizations, informational materials and public meetings held throughout the state.





Background



The CALFED Bay-Delta Program brings together all interested parties in a cooperative effort to solve the problems in the Bay-Delta system.

MOVING TOWARD COOPERATION

The Framework Agreement formally established CALFED and focused on three areas...

- ***water quality standards***
- ***coordinated operations***
- ***long-term solutions***

Setting the Stage

Efforts to develop long-term solutions for the Bay-Delta began in December 1992, when Governor Pete Wilson created the Water Policy Council. Comprised of representatives from various state agencies, the Council's task was to develop a comprehensive Bay-Delta program. The Governor also established the Bay Delta Oversight Council (BDOC) to advise the Water Council in its efforts.

In September 1993, the Federal Ecosystem Directorate (FED) was created to coordinate federal resource protection and management decisions for the Bay-Delta. The FED is comprised of the Bureau of Reclamation, Fish and Wildlife Service, National Marine Fisheries Service and the Environmental Protection Agency.

Basis for Cooperation

State-federal cooperation was formalized in June 1994 with the signing of a Framework Agreement by the involved state and federal agencies. These agencies have management and regulatory responsibility in the Bay-Delta system and are working together as CALFED. The agencies provide policy direction and oversight for the process.

The Framework Agreement pledged that state and federal agencies would work together in three areas of Bay-Delta management:

- Water quality standards formulation,
- Coordination of State Water Project and Central Valley Project operations with regulatory requirements, and
- Long term solutions to problems in the Bay-Delta.

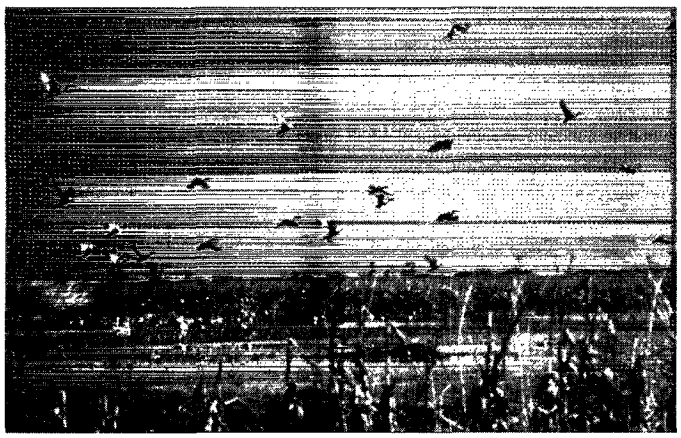
Since June of 1994, significant progress has been made in all three areas. These management efforts have included close cooperation not only among state and federal agencies, but involvement of urban and agricultural water users, fishing interests, environmental organizations, business and others. These groups—the stakeholders in resources of the Bay-Delta system—play an important role in the collaborative process of solving problems.

CALFED

California Resources Agency	U.S. Department of Interior
Department of Water Resources	Bureau of Reclamation
Department of Fish and Game	Fish and Wildlife Service
State Water Resources Control Board	Environmental Protection Agency
California Environmental Protection Agency	National Marine Fisheries Service

Water Quality Standards

On December 15, 1994 state and federal agencies, working with stakeholders, reached agreement on recommended water quality standards and related provisions that would remain in effect for three years. The agreement was based on a proposal developed by urban, agricultural and environmental interest. Elements of the agreement include springtime export limits expressed as a percentage of Delta inflow, regulation of the salinity gradient in the system so that a salt



concentration of two parts per thousand (X2) is positioned where it may be more beneficial to aquatic life, specified springtime flows on the lower San Joaquin River to benefit Chinook salmon, and intermittent closure of the Delta Cross Channel gates to reduce entrainment of fish into the central Delta.

A second category of provisions is intended to reconcile operational flexibility and compliance with the federal Endangered Species Act (ESA). Compliance with provisions of the ESA is intended to result in no reduction in water supply from what would be available for export under other operational requirements of the agreement. This will be accomplished in part by better monitoring for the presence of aquatic organisms of concern, faster interpretation of monitoring information, and immediate response in the operation of export facilities. This rapid collection, analysis and use of data is known as real time monitoring.

"The (Bay-Delta Accord)... forced dialogue, compromise and, most important, a truce among water users that is in everyone's long-term interest."

— Los Angeles Times

A third category of provisions is intended to improve conditions in the Bay-Delta system that are not directly related to Delta outflow. Some of these "Category III" measures may include screening of unscreened water diversions, waste discharge control and habitat restoration. Parties to the agreement committed to implementation and financing of such measures, and estimated that a financial commitment of $60 million would be required in each of the three years of the agreement.

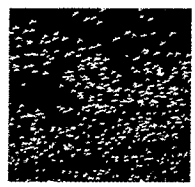
Many of the elements of the December 15 agreement were incorporated into the State Water Resources Control Board's "Draft Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary" dated December 1994. Public hearings on the draft were held and extensive comments were received. In response to these comments, the water quality objectives were modified as appropriate. The final Bay-Delta Plan was adopted on May 22, 1995.

Operational Coordination

Operators of the California State Water Project and the federal Central Valley Project recognized that compliance with endangered species protections, water quality standards and provisions of the Central Valley Project Improvement Act would require project operations to be coordinated even more closely than in the past. To help ensure this coordination, representatives of the two projects and the other CALFED agencies meet regularly to provide oversight of project operations. The deliberations of this Operations Group or "Ops Group" are conducted in consultation with water user, environmental and fishery representatives.

Long Term Solutions

The third element of the Framework Agreement called for a joint state-federal process to develop long-term solutions to problems in the Bay-Delta related to fish and wildlife, water supply reliability, vulnerability of Delta levees and channels to natural disasters and water quality. The intent is to develop a comprehensive and balanced plan which addresses all of the resource problems. This effort will be carried out under the policy direction of CALFED.



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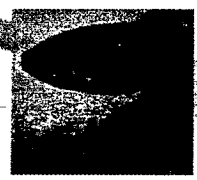
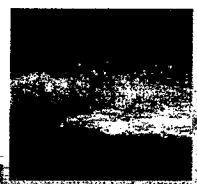


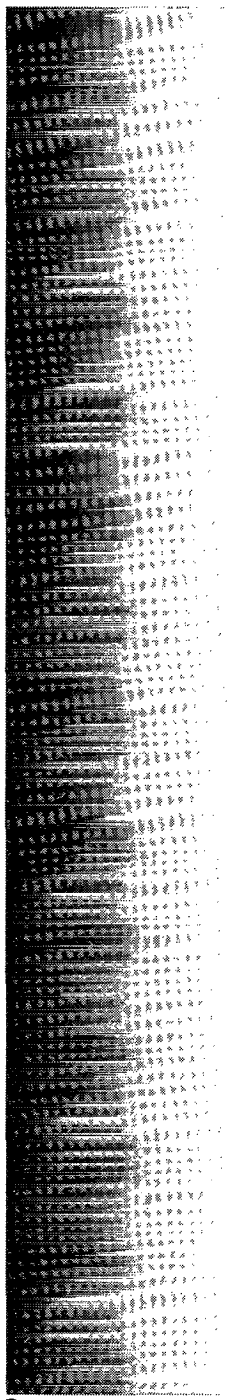


The CALFED Bay-Delta Program uses a three-phase process to identify problems, propose solutions, analyze environmental impacts and develop a long-term solution.

DEVELOPING A LASTING SOLUTION

"This is our best chance to fix the Delta. The coordinated efforts of state and federal government and the public will help us to resolve conflicts for the long-term benefit of California and the nation."

— Lester Snow,
CALFED Program Manager

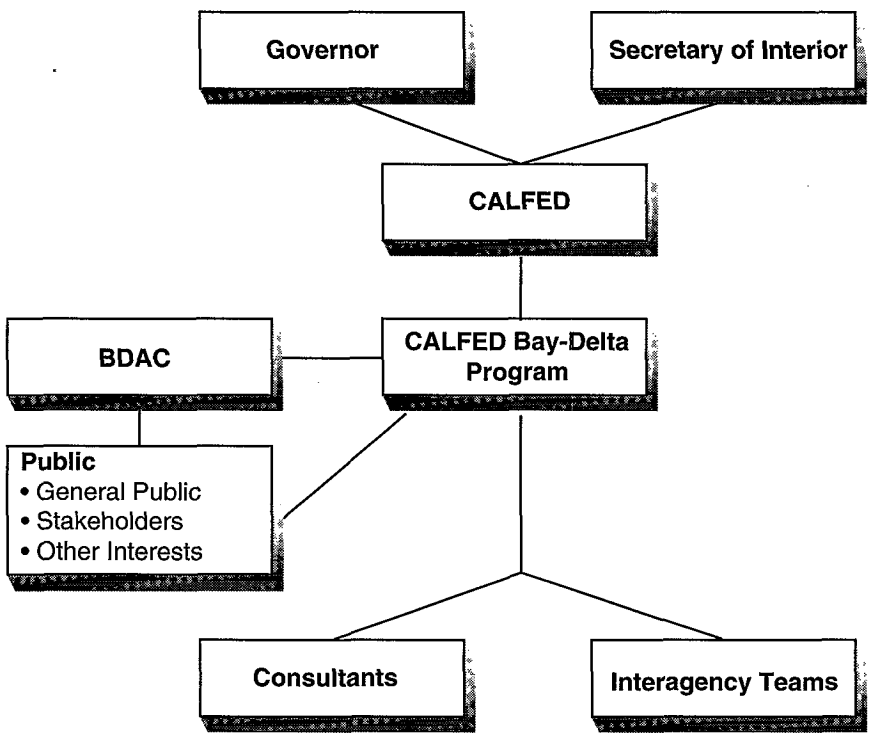


The CALFED Bay-Delta Program

The purpose of the CALFED Bay-Delta Program is to explore and develop long-term solutions for preserving the Bay-Delta system and its resources. The Program is conducting a cooperative planning process that will determine the most appropriate strategy and the actions necessary to improve water quality, restore health to the Bay-Delta's ecosystem, provide water for a variety of beneficial uses and minimize Delta system vulnerability.

The Program is managed by an interdisciplinary, interagency staff team and is assisted by technical experts from state and federal agencies as well as consultants. Recognizing that a realistic and workable solution will only be achieved with broad consensus, the Program also includes extensive opportunities for involvement by government, commercial and agricultural business interests, environmentalists and citizens.

PROGRAM STRUCTURE



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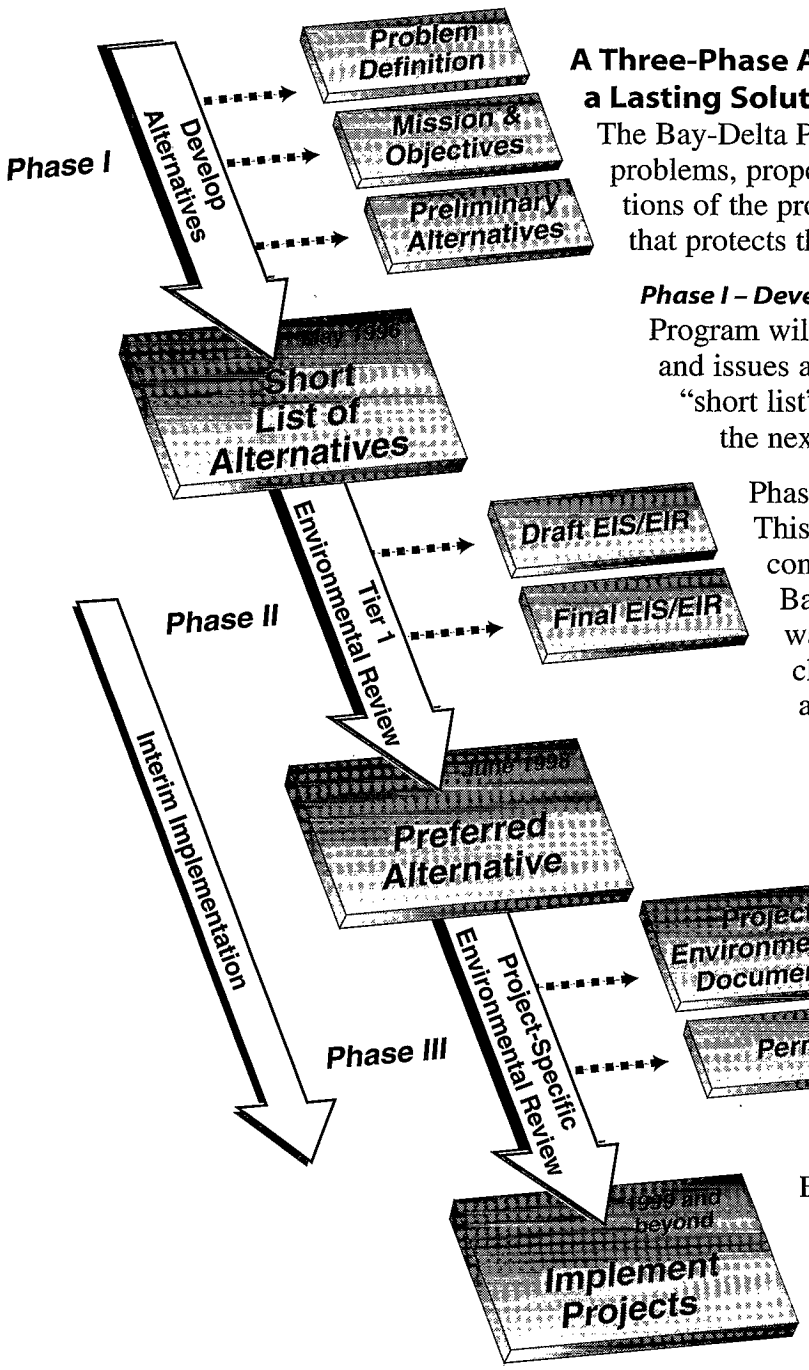
Program Phases



A Three-Phase Approach to Developing a Lasting Solution

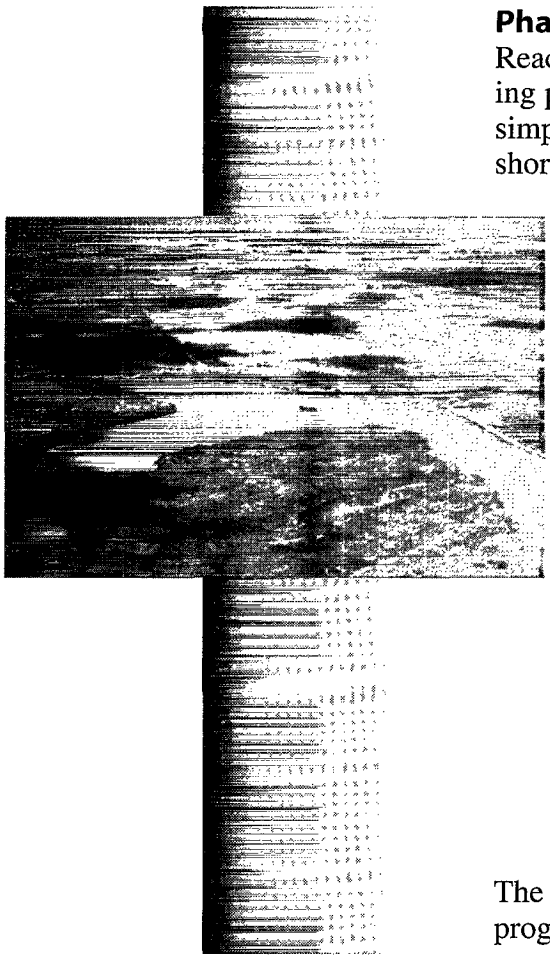
The Bay-Delta Program uses a three-phase process to identify problems, propose solutions, analyze environmental implications of the proposed solutions and devise a long-range plan that protects the Bay-Delta system.

Phase I – Develop Alternatives During this phase, the Program will develop a clear definition of the problems and issues associated with the Bay-Delta, and identify a "short list" of solution alternatives to be carried into the next phase.

Phase I is scheduled to conclude by May 1996. This phase involves a collaborative process to consider all reasonable options for addressing Bay-Delta problems related to fish and wildlife, water supply, water quality and levee and channel vulnerability. The process is aided by a significant amount of public participation.

Phase II – Evaluate Short List and Select Program Alternative In this phase, the Program will conduct a broad environmental review of the short list of alternatives from Phase I to identify the impacts of various alternatives. The full implications associated with each alternative will be considered, including feasibility, cost and benefits. Phase II will produce a programmatic-level Environmental Impact Statement/ Environmental Impact Report (EIS/EIR) in compliance with National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA). The EIS/EIR will focus on the broad policy and resource allocation decisions required to implement a program. The primary purpose of this document will be to inform decision makers about the interrelated and cumulative consequences of the alternatives, and to recommend a program alternative for implementation.

Phase III – Evaluate and Implement Actions During this final phase, the Program will prepare project-specific environmental documents for each element of the selected alternative. The strategies analyzed during Phase III could be operational, structural, regulatory and/or legislative in nature. Final approval of the environmental documents paves the way for implementation. The permit approvals process will also begin in Phase III.



Phase I Process

Reaching consensus on the problems facing the Bay-Delta and identifying possible solutions are essential elements of Phase I. Neither task is simple. Phase I of the Program follows a six-step process to identify a short list of alternatives to be reviewed in Phase II. The six steps are...

Step 1

- define problems

Step 2

- develop objectives

Step 3

- identify possible actions

Step 4

- develop ways to combine actions into alternatives

Step 5

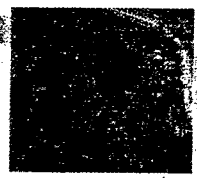
- assemble alternatives to effect long-term solutions

Step 6

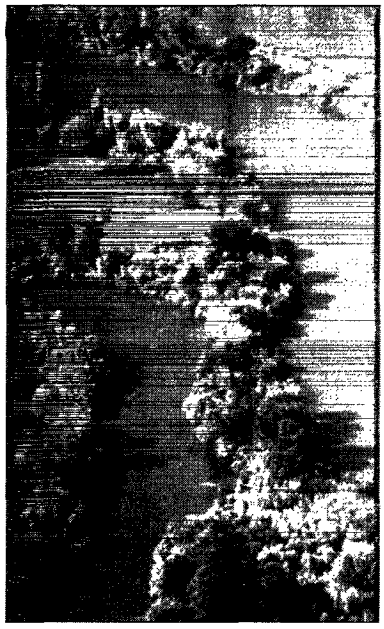
- evaluate and refine alternatives to develop a short list of promising alternatives

The goals and objectives for the CALFED Bay-Delta program are outlined in the following section.

CALFED Bay-Delta Program Mission and Objectives



The mission of the CALFED Bay-Delta Program is to develop a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta system



MISSION AND OBJECTIVES

The Bay-Delta Program's Mission Statement reflects reviews, discussion and refinements based on input from public workshops and the Bay-Delta Advisory Council.

Mission Statement

The mission of the CALFED Bay-Delta Program is to develop a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta System

The Mission Statement does not stand alone as a single statement of program purpose. The full expression of the Program's mission is reflected in the Mission Statement, Solution Principles and Primary Objectives. These elements are outlined below.

Solution Principles

The solution principles are fundamental principles that guide the efforts of the CALFED Bay-Delta Program. More specifically, the solution principles establish the parameters for a successful long-term Bay-Delta solution.

As defined by the solution principles, a successful solution to managing the Bay-Delta must...

Be Affordable—An affordable solution will be one that can be implemented and maintained within the foreseeable resources of the CALFED Bay-Delta Program and stakeholders.

Be Equitable—An equitable solution will focus on resolving problems in all problem areas. Improvements for some problems will not be addressed without corresponding improvements for other problems.

Be Implementable—An implementable solution will have broad public acceptance and legal feasibility, and will be timely and relatively simple compared with other alternatives.

Be Durable—A durable solution will have political and economic staying power and will sustain the resources it was designed to protect and enhance.

Reduce Conflicts in the System—A successful solution will reduce major conflicts among beneficial users of water.

Pose No Significant Redirected Impacts—A solution will not solve problems in the Bay-Delta system by redirecting significant negative impacts, when viewed in its entirety, in the Bay-Delta or other regions of California.

Primary Objectives

The overall objectives for the key problem areas of water quality, ecosystem quality, water supply and vulnerability of Delta system functions are defined by the primary objectives. Secondary objectives within each of these areas stem from the primary objective and the mission statement. The primary objectives for each problem area are defined below, with the secondary objectives listed below each primary objective.

Water Quality

To provide good water quality for all beneficial uses.

- Provide good water quality in Delta water exported for drinking water needs
- Provide good Delta water quality for agricultural use
- Provide good Delta water quality for industrial use
- Provide good Delta water quality for recreational use within the Delta
- Provide good Delta water quality for environmental needs

Ecosystem Quality

To improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta to support sustainable populations of diverse and valuable plant and animal species.

- Improve and increase aquatic habitats so that they can support the sustainable production and survival of native and other desirable estuarine and anadromous fish in the system
- Improve and increase important wetland habitats so that they can support the sustainable production and survival of wildlife species
- Increase population health and population size of Delta species to levels that assure sustained survival

Water Supply

To reduce the mismatch between Bay-Delta water supplies and current and projected beneficial uses dependent on the Bay-Delta system.

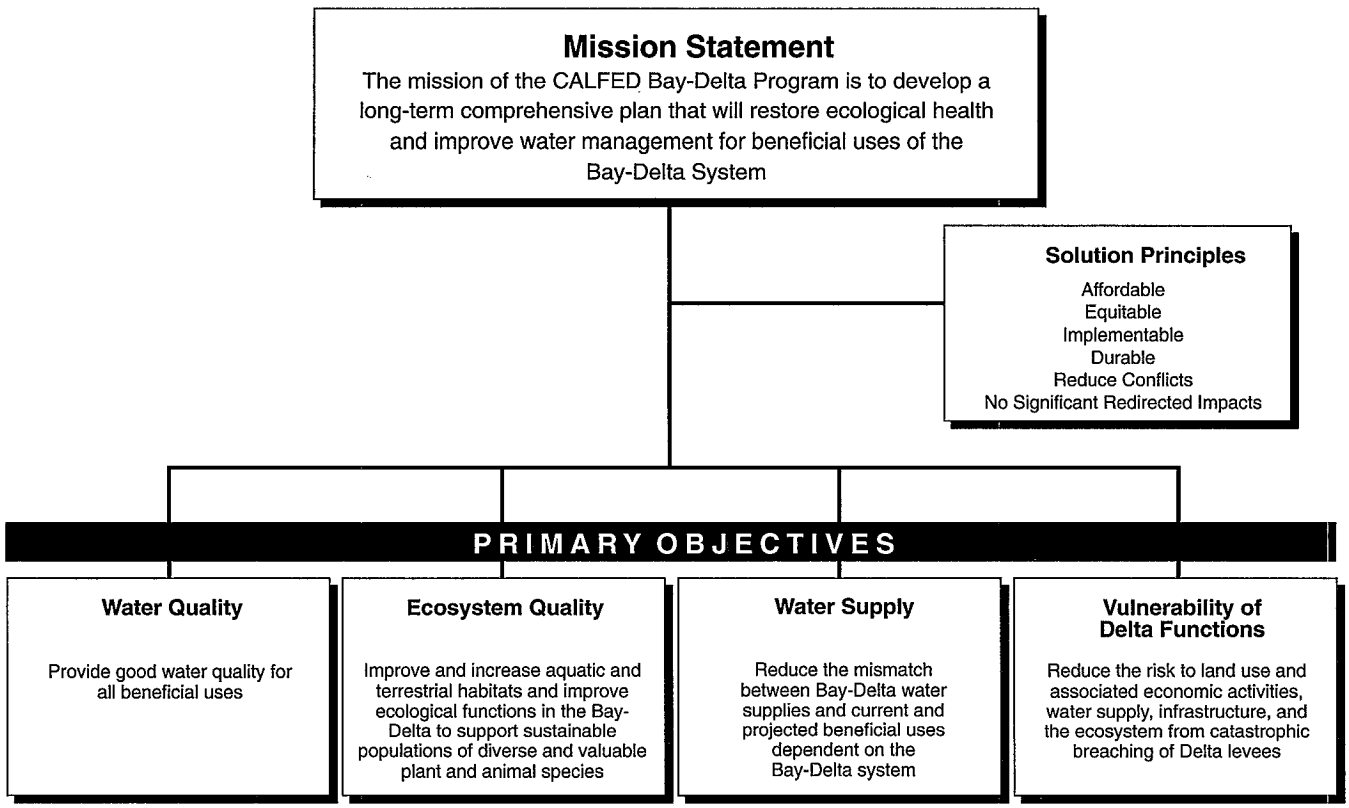
- Reduce the conflict between beneficial water users and improve the ability to transport water through the Bay-Delta system.
- Reduce the uncertainty of Bay-Delta system water supplies to help meet short- and long-term needs

The Mission Statement, Solution Principles and Primary Objectives provide the basis for developing a long-term Bay-Delta solution.

Delta System Vulnerability

To reduce the risk to land use and associated economic activities, water supply, infrastructure, and the ecosystem from catastrophic breaching of Delta levees.

- Manage the risk to existing land use associated economic activities and infrastructure from gradual deterioration of Delta conveyance and flood control facilities and catastrophic inundation of Delta islands.
- Manage the risk to water supply facilities and operations in the Delta from catastrophic inundation of Delta islands
- Manage the risk to water quality in the Delta from catastrophic inundation of Delta islands
- Manage the risk to existing Delta ecosystem from gradual deterioration of Delta conveyance and flood control facilities and catastrophic inundation of Delta islands



Bay-Delta Problems

The problems facing the Bay-Delta system are complex and interconnected. Solving them requires an integrated solution.

BAY-DELTA PROBLEMS

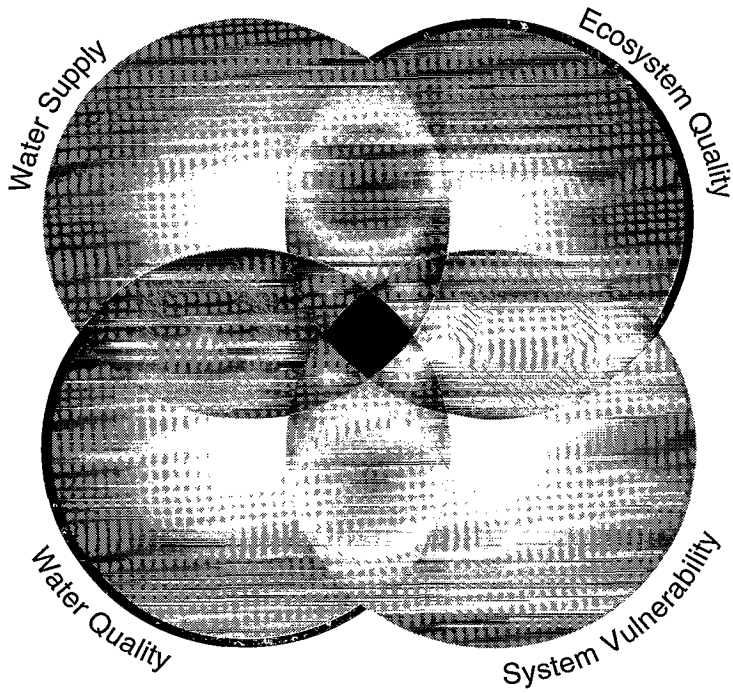
The problems in the Bay-Delta are grouped in four main areas: ecosystem quality, water supply, water quality and system vulnerability.

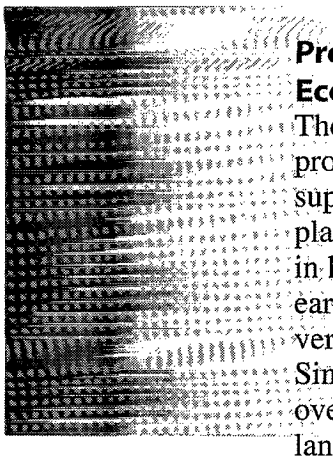
The problems facing the Bay-Delta are complex and offer a challenge to government, business and citizens to protect resources of the system while meeting the diverse needs we place upon it.

The problems in the Bay-Delta are grouped in four main areas: ecosystem quality, water supply, water quality and system vulnerability. Brief summaries of each of these problem areas are provided below. Program objectives for each area are also included.

It is important to note that, in a complex system such as the Bay-Delta, problems and objectives are not independent and self-contained. Relationships, or linkages, exist between all areas. For example, the amount and timing of fresh water flowing into the Bay-Delta affects water quality, and consequently the health of the ecosystem. Focusing on the linkages among problems provides the structure for developing an integrated solution for the Bay-Delta, one that adequately addresses the many problems while sufficiently meeting the needs of society and the ecosystem.

Bay-Delta Problem Area Linkages



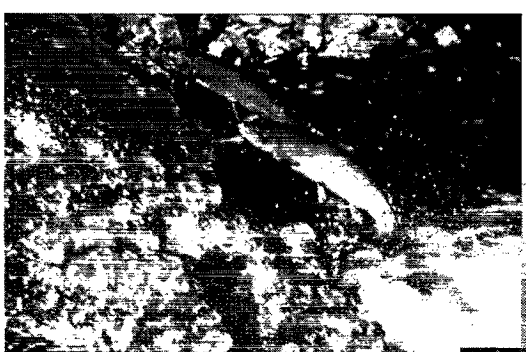


Problem Area: Ecosystem Quality

The Bay-Delta system no longer provides the habitat necessary to support healthy populations of plants and animals. The decrease in habitat can be traced back as early as the 1800s, when the conversion of Delta marshlands began. Since the 1850s, 700,000 acres of overflow and seasonally inundated land in the Delta have been converted for agricultural or urban use. Hydraulic mining techniques also contributed to habitat loss and decline. Because mining sediments filled channels and increased flooding, levees were constructed for flood control purposes. Levees eliminated access to important shallow water for fish, while dredging operations conducted to build levees eliminated natural habitat along river channels.

The quantity and timing of water flow into the Bay-Delta are important aspects of habitat, and they have been altered significantly, particularly since the 1960s. Pollutants and introduced species have also contributed to a decline in ecosystem health.

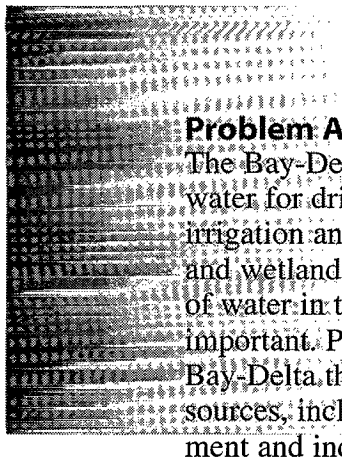
The primary program objective for ecosystem quality is to improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta system to support sustainable populations of diverse and valuable plant and animal species.



Problem Area: Water Supply

The Bay-Delta system provides the water supply for a wide range of uses. As water use and competition among uses has increased during the past several decades, conflicts have increased among users of Delta water. In addition, water flow and timing requirements have been established to protect certain fish and wildlife species with critical life stages dependent on freshwater flows. These requirements have reduced flexibility to meet the quantity and timing of water demands from the Delta. This basic disparity between water demand and water availability has created economic uncertainty in the water service areas and increased potential conflict over supplies.

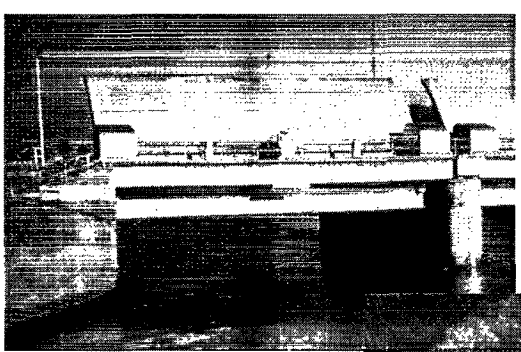
The primary objective for water supply reliability is to reduce the mismatch between Bay-Delta water supplies and current and projected beneficial uses dependent on the Bay-Delta system. This can be accomplished by reducing the conflict among beneficial water uses, improving the ability to transport water through the Bay-Delta system and reducing the uncertainty of Bay-Delta water supplies.



Problem Area: Water Quality

The Bay-Delta system provides water for drinking, agricultural irrigation and to support aquatic and wetland habitat. The quality of water in the system is critically important. Pollution enters the Bay-Delta through a number of sources, including sewage treatment and industrial facilities, forests and farm fields, mines, residential landscaping, urban streets and natural sources, including organics and ocean salt. Natural organics from plant decay are a concern because they react with chemicals used in water treatment, creating byproducts that may be harmful to humans. High levels of salt limit the use of Delta waters for agriculture and drinking water, and upset the delicate balance of the ecosystem. Pathogens such as bacteria and viruses enter the Bay-Delta through a variety of sources, posing both human and treatment-related concerns.

The objective of the Bay-Delta Program for water quality is to provide good quality water for all beneficial uses, including drinking water, agriculture, industrial and recreational use and environmental needs.



Problem Area: System Vulnerability

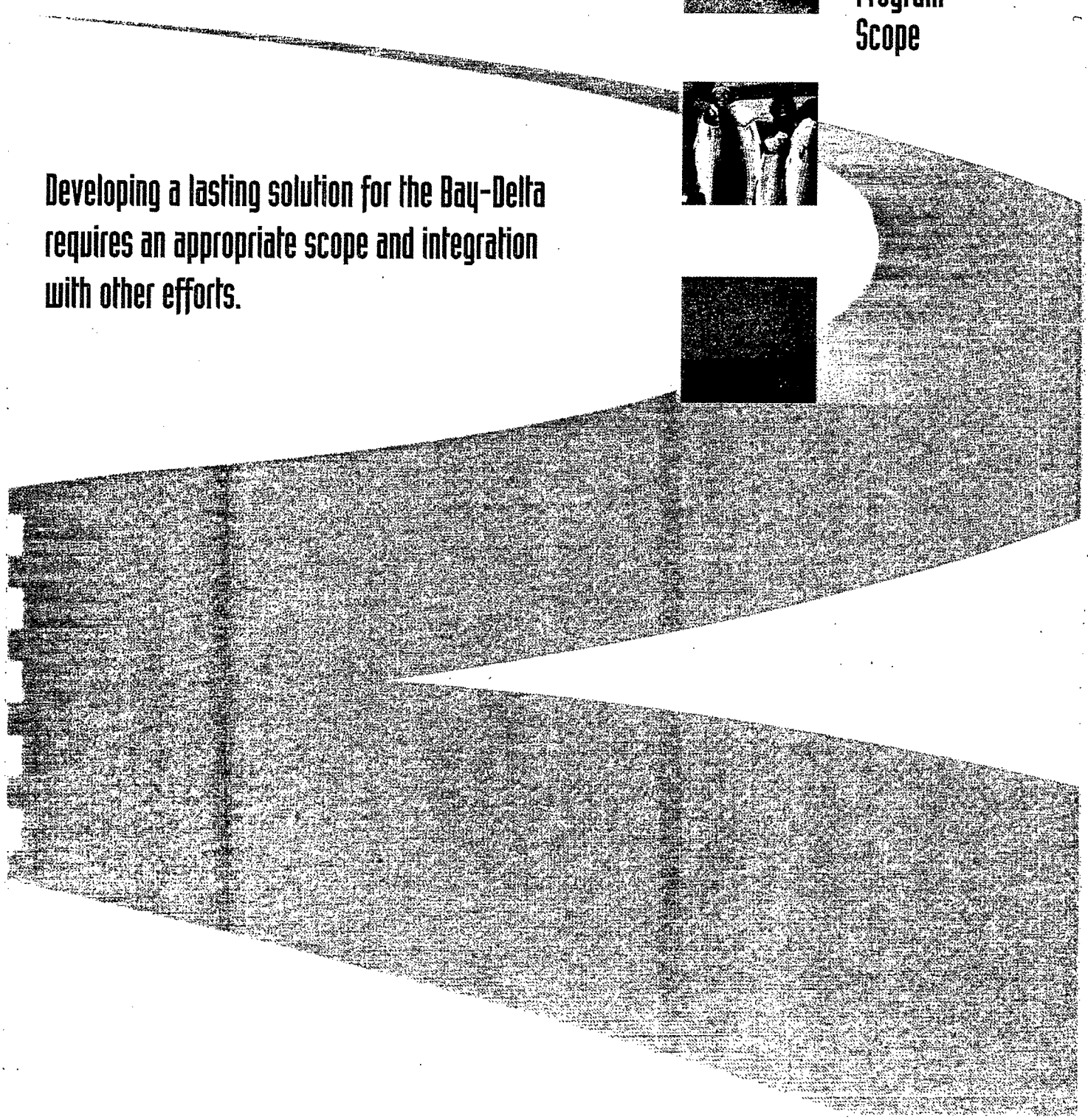
There is growing concern that Delta levees are vulnerable to failure, especially during earthquakes or periods of high runoff. Failure of Delta levees can result in flooding of Delta island farmland and wildlife habitat. Levee failure on key Delta islands would draw salty water up into the Delta, as water from downstream rushed to fill the breached island. Such a failure could result in a long interruption of water supply for in-Delta and export use by both urban and agricultural users, until the salt water could be flushed from the Delta.

In addition, local reclamation districts are concerned with the cost of maintaining and improving the levee and channel system. The complex array of agencies with planning, regulatory and/or permitting authorities over levees makes rehabilitation and maintenance efforts difficult.

The primary program objective for addressing Bay-Delta system vulnerability is to reduce the risk to land use and associated economic activities, water supply, infrastructure and the ecosystem from catastrophic breaching of Delta levees. The vulnerability of the levee system to both general failure and sudden catastrophic failure can be reduced by implementing an integrated and comprehensive program for maintenance and rehabilitation of Delta levees and channels.

CALFED Bay-Delta Program Scope

Developing a lasting solution for the Bay-Delta requires an appropriate scope and integration with other efforts.



PROGRAM SCOPE

Geographic Scope

Establishing an appropriate geographic scope is essential to the Program's success. A scope that is too narrow may limit the ability to comprehensively address issues. Too large a scope may result in an overly complex planning process that hinders development of implementable solutions. The Bay-Delta Program uses a two-level geographic scope. This approach focuses on the Bay-Delta system in defining problems, yet expands the focus to a broader area for generating solutions.

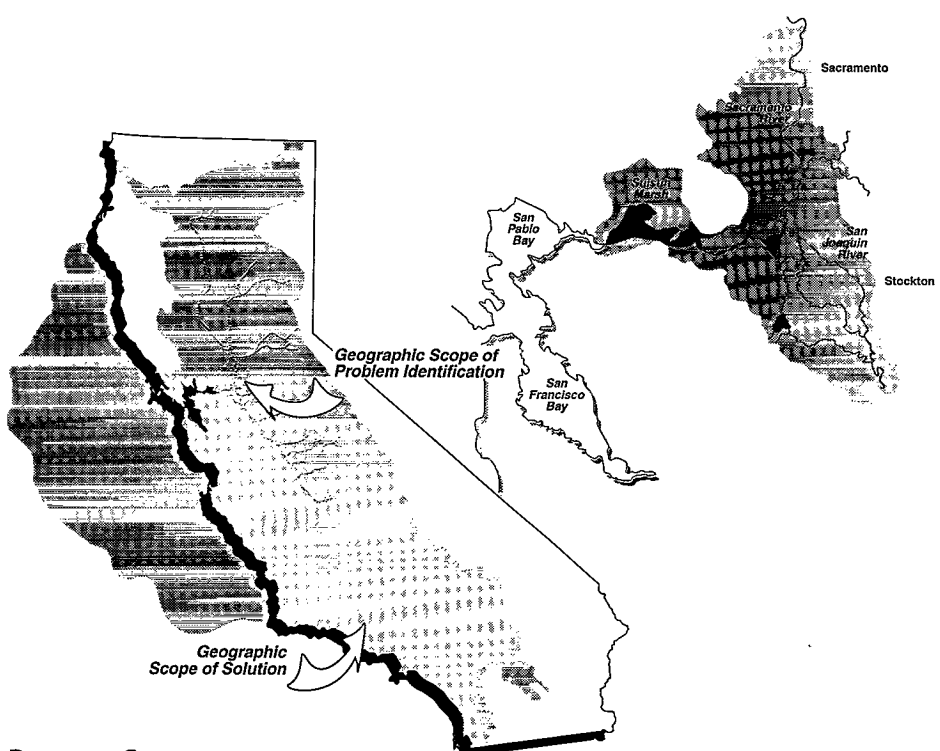
Problem Scope

Specifically, the geographic problem scope is the legally defined Delta, Suisun Bay (extending to Carquinez Strait) and Suisun Marsh. The Program addresses problems that exist within these boundaries or are closely linked to this area, and related to water management and beneficial economic and environmental use of water.

The Bay-Delta is part of a larger water and biological resource system. A problem is considered within the range of the Program's efforts if at least part of the problem occurs in or is closely linked to the Bay-Delta. Examples would include toxic inflows and outflows, in-migrating fish and water diversion patterns. Examples of problems that would not fall within the Program's range would include discharge problems from South Bay wastewater treatment plants or land subsidence in the Central Valley.

Solution Scope

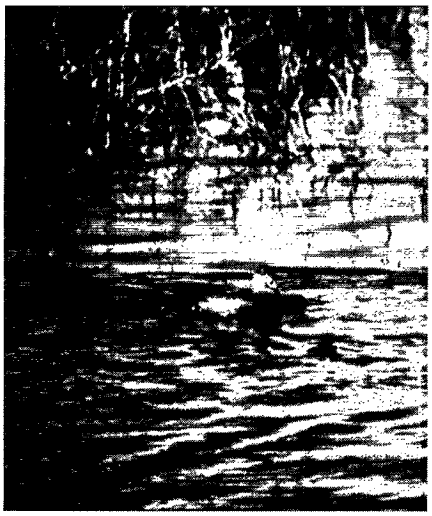
The scope of possible solutions to these problems includes any action that can be implemented or influenced by the CALFED agencies, regardless of whether its implementation takes place within the specified problem area. Thus, the geographic scope for solutions would expand to include at least the Central Valley Watershed, the Southern California water system and the Pacific Ocean.



Program Scope

An expanded solution scope is necessary because many problems related to the Bay-Delta are caused by factors outside the Bay-Delta. By expanding solution options beyond the geographic boundaries of the system, greater benefits may be generated at lower cost. For example, salmon population problems are linked to the Bay-Delta due to high mortality rates during

The Bay-Delta Program will closely examine potential impacts of proposed solutions and will integrate its actions with other efforts.



salmon migrations. While one solution would be to reduce mortality during salmon migration through the Bay-Delta, it might be less expensive or ecologically preferable to promote greater salmon production upstream.

Solution Priorities

The CALFED Bay-Delta Program cannot fully solve every problem that falls within its range of consideration. Therefore, the Program will give highest priority to solving acute problems of broad concern that are closely related to the Bay-Delta system or as an element in a larger water and biological resource system. In addition, the problems must be implementable by the Program or the CALFED agencies. Other problems will receive lower priority.

For example, the Bay-Delta is an ecological zone of major importance and a major element in an interconnected biological system. Therefore, problems with the system's environmental health will receive high priority. Similarly, the Bay-Delta is a key element in the water supply system. Therefore, problems with unsatisfactory water diversion patterns will receive high priority.

Addressing Impacts of Possible Solutions

Each possible solution to Bay-Delta problems may have additional positive or negative impacts both within and outside the Bay-Delta system. One of the Program's solution principles is to aviod any re-direction of significant impacts. In keeping with this principle, the Program will carefully analyze the possible negative impacts of various Bay-Delta solutions as part of the NEPA/CEQA environmental review processes, and will take those impacts into consideration in the development of viable alternatives. Where impacts remain, the Program will develop mitigation measures as required by the environmental review process.

Integration with Other Processes

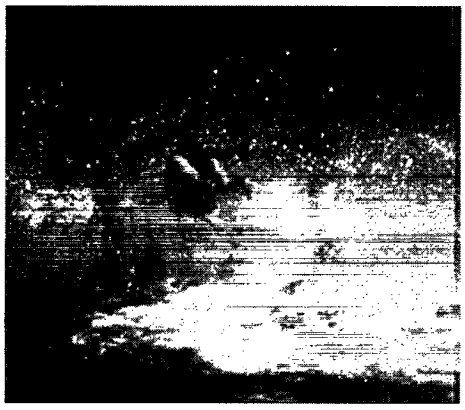
The CALFED Bay-Delta Program is not operating in isolation. Many other programs already exist to address some of the problems and solutions being explored by Program, particularly in upstream areas.

The Program will assess the degree to which existing processes are successfully dealing with problems. Where existing processes are adequate, the Program may simply establish a linkage. Where existing processes are inadequate due to lack of funding or other institutional constraints, the Program may recommend improving existing processes, include new actions in its solution alternatives or mobilize the CALFED agencies to advance the existing processes. In this way, the Bay-Delta Program will provide a framework to show how new and existing programs should be coordinated to achieve a comprehensive and lasting solution.

Public Outreach

The Bay-Delta Program uses several mechanisms to ensure the public plays a role in the solution-finding process.

PUBLIC OUTREACH



CALFED recognizes that realistic, workable and lasting solutions to the Bay-Delta crisis must reflect input from all stakeholders. Consequently, the Bay-Delta Program uses several mechanisms to ensure significant public participation and guidance. The public will have a central role in the development of long-term solutions, with opportunities to offer input through a formal citizen advisory council, workshops and other measures.

BDAC

In early 1995, CALFED established the Bay Delta Advisory Council (BDAC) to guide the Bay-Delta Program toward its long-range plan. BDAC has been chartered under the Federal Advisory Committee Act. Council members were jointly selected by Secretaries of the U.S. Department of the Interior and California Resources Agency, and include representatives of the agricultural, environmental and business communities. BDAC helps to define problems in the Bay-Delta system, assures broad public participation, comments on environmental reports and advises on proposed solutions. The Council meets bi-monthly and is expected to exist until the CEQA/NEPA environmental documentation process is complete.

Public Workshops

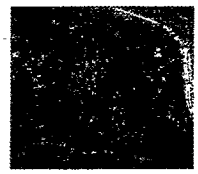
Public participation is also encouraged through public workshops that involve all water interests in the process, from policy experts to farmers and small business owners, from environmental advocates to Delta residents. Through the workshops, stakeholders have an opportunity to work cooperatively toward a long-term solution to managing the Bay-Delta. The workshops focus on defining problems and assembling and refining solution alternatives.

Public Meetings

The Program conducts public meetings throughout the state. The meetings provide an opportunity for interested publics to learn about the Bay-Delta Program and to comment on its efforts.

Other Activities

Additional public outreach activities include media relations, legislative briefings, presentations and briefings to interest groups and other organizations and educational materials.



Financial Strategy

The Program is identifying financial strategies to ensure that funding mechanisms are available to implement solutions.

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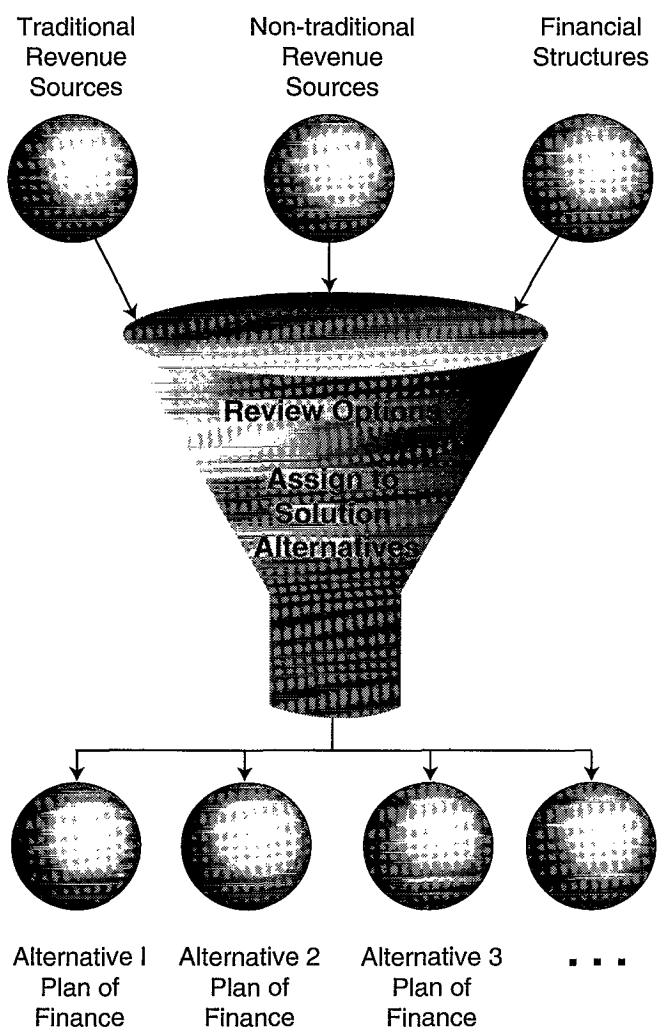
FINANCIAL STRATEGY

It is important to explore and identify financial strategies early in the process to ensure that the recommended solutions are fiscally feasible. In coordination with the overall CALFED Bay-Delta Program, the identification of financial alternatives for the long-term solution will be conducted in multiple phases. To ensure appropriate public input, the Bay-Delta Advisory Council will play a significant role in assisting with the development of a financial strategy.

The first phase of financial strategy efforts will identify the broadest possible range of feasible sources of revenue, financing strategies and institutional structures that could be part of an eventual plan of finance. Part of this phase will be to outline the implications of these potential alternatives. A number of traditional and non-traditional revenue sources and financial structures have been prepared and are currently undergoing review by CALFED staff.

The next phase will begin as the CALFED Bay-Delta Program begins to develop sets of potential solutions. During this phase, the previously identified financial alternatives will be connected to the solution sets. At this stage, it will be possible to begin to identify which revenue sources and financing techniques would be feasible and appropriate for various types of solutions.



The third phase will devise a specific plan of finance for each solution alternative identified by the Program. Activities in this phase will begin when the Program has narrowed the range of solutions to a handful and has reached a level of detail that will enable estimation of actual capital costs and operating expenses of each solution over time.